

NET METERING PROGRAM

Availability

This rate is available only to member-consumers who operate renewable electric generation facilities that are interconnected with the Cooperative's system who generate a portion or all of their own retail electricity from renewable energy resources as defined herein.

The Cooperative may restrict or deny service under this Schedule once the Cooperative is providing service under this Schedule to member-consumers whose combined total connected generation equals either 0.1% (one tenth of one percent) of the Cooperative's previous year's peak demand (measured in kW) or 100 kW, whichever is greater.

Net Metering Definition

Net metering under this Schedule is an accounting mechanism whereby member-consumers who generate a portion or all of their own retail electricity needs and put their excess generation, if any, on the Cooperative's system can receive a billing credit equal to the Cooperatives wholesale cost of energy, adjusted to include line losses, in accordance with this Schedule. For biomass systems blending fossil-fuel, the generation credit shall apply only to the output associated with the renewable fuel and exclude the output from the fossil-fuel. The member-consumer's generator output in excess of the total metered usage shall be carried over to the next month's billing period.

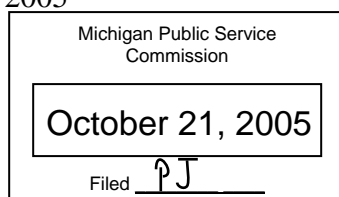
Service under this Schedule shall be pursuant to the following terms and conditions.

Service under this Schedule is limited to member-consumers who operate renewable energy source electric generating technologies as provided in 2000 P.A. 141, section 10g(l)(f) (MCL 460.10g(l)(f)). This is defined as "energy generated by solar, wind, geothermal, biomass, including waste-to-energy and landfill gas, or hydroelectric." Biomass systems are allowed to blend up to 25% fossil-fuel as needed to ensure safe, environmentally sound operation of the system. A member-consumer using biomass blended with fossil-fuel as their renewable energy source must submit proof to the Cooperative substantiating the percentage of fossil fuel blend either by (1) separately metering the fossil fuel, or (2) providing other documentation that will allow the Cooperative to correctly apply a generation credit to the output associated with the member-consumer's renewable fuel only.

Continued on Sheet No. 23.01

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By: Scott Braeger:
General Manager
Portland, Michigan



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NET METERING PROGRAM
(Continued from Sheet No. 23.00)

Eligibility for participation in the net metering program is limited to member-consumers taking bundled service (non-interruptible) from the Cooperative. The eligible facilities must be installed on the member-consumer's premises.

The maximum size of electric generators eligible for net metering treatment is less than 30 kW. To qualify for this Schedule, member-consumer generation systems will be limited in size, not to exceed the member-consumer's self-service needs. Non-dispatchable generation systems (*e.g.*, wind and solar) shall be sized not to exceed the member-consumer's annual energy needs, measured in kilowatt-hours (kWh). Dispatchable systems shall be sized not to exceed the member-consumer's capacity needs, measured in kilowatts (kW).

If a member-consumer has more than one generator, to qualify for this Schedule, the total capacity of the generators shall be less than 30 kW.

Monthly Rate

Deliveries from the Cooperative to the member-consumer shall be billed in accordance with the standard applicable rate schedules of the Cooperative.

Customer Credits for Net Excess Generation (NEG)

NEG represents the amount of electric generation by the member-consumer beyond the member-consumer's own metered usage which is delivered to the Cooperative during the billing period. Deliveries from the member-consumer to the Cooperative shall be credited at the Cooperative's wholesale cost of energy, adjusted for line losses. The dollar amount credited to the member-consumer shall not exceed the dollar amount the Cooperative bills the customer for its energy consumption in any billing period. Instead, the net excess dollar amount shall be allowed to accumulate as a NEG credit to offset the member-consumer's energy charges in the next billing period.

NEG credits, if any, will be carried over from month to month. Following the member-consumer's December billing cycle, the member-consumer's credits balance will be reset to zero. Any unused NEG credits will be retained by the Cooperative to offset costs associated with the operation of the net metering program.

Continued on Sheet No. 23.02

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Interconnection

All application fees, procedures, and requirements for interconnecting net metering generators will be those contained in the Commission's Electric Interconnection Standards Rules (R 460.48 1-460.489) and the Cooperative's associated Commission-approved Generator Interconnection Requirements.

In accordance with the interconnection rules and requirements, facilities must be designed and operated in parallel with the Cooperative's system without adversely affecting the operation of equipment and service or presenting any safety hazards.

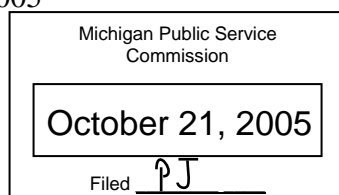
The interconnection rules and requirements will be applied to determine whether any additional equipment is required to complete the interconnection and to calculate and determine the assignment of equipment costs. The member-consumer shall pay all costs incurred by the Cooperative to install appropriate metering technology to allow the Cooperative to separately measure the member-consumer's consumption and generation above the cost of a standard meter that would be installed if the member-consumer were not taking service under this Schedule.

Duration of Service

Service under this Schedule shall be open to member-consumers for a period of five years from the effective date of this Schedule. Member-consumers that participate under the program shall be allowed to take service under this Schedule for a minimum of ten years.

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